




JUN 2 2006

GSA Acquisition Letter V-06-05

MEMORANDUM FOR ALL GSA CONTRACTING ACTIVITIES

FROM: EMILY W. MURPHY 
CHIEF ACQUISITION OFFICER

SUBJECT: Assisted Acquisitions: Periodic Review Requirements and
Fiscal Year Cut-Off Dates

1. **Purpose:** This Acquisition Letter establishes cut-off dates for accepting reimbursable agreements and the accompanying customer funding. These dates allow adequate timeframes to properly accomplish planned procurement actions and are based on receipt of all necessary information, such as a complete description of requirements or clear statement of objectives (e.g., Statements of Work, specifications, or Statement of Objectives (SOO)), signed funding documents, and required justification and approvals. This Acquisition Letter also establishes periodic review requirements of actions taken to complete accepted reimbursable agreements.

2. **Background:** GSA must properly manage customer expectations with regard to the timely execution of reimbursable agreements and adhere to applicable laws, regulations, policies and fiscal constraints. Customers are required to obligate their funds during the period of funds availability -- usually one fiscal year. Customer agencies can obligate their funds via interagency reimbursable agreements with GSA for bona fide needs. GSA, under its statutory authorities, must act reasonably and expeditiously to take contract action on customer requirements (bona fide needs) contained in the accepted reimbursable agreements (e.g., Memorandum of Understanding, Memorandum of Agreement, Interagency Agreement, and Reimbursable Work Authorization (RWA)).

3. **Cancellation:** This Acquisition Letter supersedes Acquisition Letter V-05-16.

4. **Effective Date:** Immediately.

5. **Termination Date:** This Acquisition Letter remains in effect until the General Services Acquisition Manual (GSAM) is amended.

6. Applicability: This policy applies to all reimbursable agreements entered into between GSA and Federal agencies or non-Federal entities as authorized by law for the procurement of goods and services.

This policy does not apply to:

- 1) GSA's provision of space and services for which GSA charges and collects rent pursuant to 40 U.S.C. 586, or
- 2) Orders going through the FED/MILSTRIP process, or
- 3) GSA's internal purchasing requirements.

7. Policy:

a. General. It is GSA's policy to only accept reimbursable agreements that are "bona fide needs" (31 U.S.C. 1502(a)) requirements. GSA should not, at anytime during the fiscal year, accept a reimbursable agreement that lacks information to such a degree that the requirement cannot be procured within a reasonable time (usually 90 days). GSA is committed to follow the funding restrictions attached to the requirements of client agencies including more severe funding restrictions. This policy is particularly important during the last months of the fiscal year, when the haste to obligate monies prior to their expiration date is greatest.

b. Fiscal Year Cut-Off Dates. Reimbursable agreements received after the specified cut-off dates below, or with unattainable completion dates, shall not be accepted unless approved as provided herein. No new requirement funded with an annual appropriation shall be accepted after September 30 if it is funded with the previous year annual appropriations.

c. Federal Acquisition Service:

1. Cut-Off Dates for the Federal Supply Service (FSS):

Type of Contract Action	Date Funding, Requirements, and Signed Interagency Agreement Must be Accepted
Commercial Products under FSS schedule	The last business day in September (for FY 06, September 29, 2006)
All other customer purchases	The eleventh business day in September (for FY 06, September 18, 2006)
Economy Act Transactions (Note: The contract or order MUST be awarded within the period of availability of the funds.)	The first business day in August (for FY 06, August 1, 2006).

2. Cut-Off Dates for the Federal Technology Service (FTS):

Type of Contract Action	Date Funding, Requirements, and Signed Interagency Agreement must be Accepted
Incremental Funding Modifications that must be funded and executed by the end of the fiscal year.	The last business day in August (for FY 06, August 31, 2006)
Option exercise that must be executed by the end of the fiscal year.	The last business day in August (for FY 06, August 31, 2006)
New delivery orders, contracts or modifications for Supplies, e.g., hardware, software and software licenses.	The fifteenth business day in September (for FY 06, September 22, 2006.)
New task orders, contracts or modifications for Services.	The last business day in August (for FY 06, August 31, 2006).
Economy Act Transactions (Note: The contract or order MUST be awarded within the period of availability of the funds.)	The first business day in August (for FY 06, August 1, 2006).

d. Cut-Off Dates for the Public Buildings Service (PBS):

Acquisition Description	Date Funding, Requirements, and Signed Agreement must be Accepted
Non-recurring RWAs or other interagency agreement	The fifteenth business day in September (for FY 06, September 22, 2006).
Economy Act Transactions	The first business day in August (for FY 06, August 1, 2006).

PBS RWAs shall be developed, accepted, and administered in accordance with the Reimbursable Work Authorization National Policy Document, dated May 4, 2005. Further questions should be directed to the local regional finance office.

For the purposes of this Acquisition Letter, the PBS recurring RWA type "R" and "C" as well as the non-recurring RWA type "F" are considered compliant as long as the Reimbursable Work Authorization National Policy Document, dated May 4, 2005, is followed. In the case of recurring RWA types "R" and "C", they are considered compliant with the requirements of this Acquisition Letter even though a separate and distinct procurement (obligation of funds) is not initiated; they represent the payments for which the exact cost cannot be anticipated (characteristically, overtime utilities and

other similar above-standard types of costs). Recurring class RWAs are closed out at the end of the fiscal year.

Non-recurring "F" type RWAs are considered to comply with the requirements of this Acquisition Letter even though each required action is unknown. The "F" type RWA is essentially a blanket RWA which covers routine low cost services so that a new RWA does not have to be issued each time an item is needed. "F" type RWAs are closed at the end of the fiscal year. The total authorized amount on an "F" type RWA cannot exceed \$100,000. Individual orders against the RWA cannot exceed \$10,000.

8. Cut-Off Date Waivers:

a. Waiver Authority. Waiver authority is limited to the authority to accept a requirement after the cut-off date. No waiver can be granted to the obligation requirements of the Bona Fide Needs Rule. No new requirement funded with an annual appropriation shall be accepted after September 30 that is funded with the previous year annual appropriations. (See Section 7. above.)

b. Approval Level.

Amount of Requirement	Approval Authority Authorizing Acceptance After the Cut-Off Dates
Under \$25,000	One level above the contracting officer
Over \$25,000 - \$5 million	Contracting Director (CD) or equivalent as defined in GSAR Subpart 502.101
Over \$5 million - \$20 million	Assistant Regional Administrator (ARA) for the Service
Over \$20 million	Head of the Contracting Activity (HCA)

c. Waiver Request and Approval Documentation. All decisions to accept a requirement after the cut-off date must be approved in writing by the levels in paragraph 8.b. above. At a minimum, the following information should be included in the written determination:

- That a review of the reimbursable agreement was accomplished and it has been determined that a specific bona fide need associated with the current fiscal year appropriation exists.
- That the reimbursable agreement includes an acceptable statement of work, performance work statement or statement of objectives, government estimate, and other necessary information (agency unique statutes or regulations) to complete the procurement.
- Approved Acquisition plan.

d. Waiver Approval Submissions to Senior Procurement Executive (SPE)

(GSA/OCAO/VA). To assess potential risk associated with accepting requirements after the cut-off dates, a copy of the waiver request and approval documentation must be submitted to the SPE within five (5) working days of the approval date. In addition, a copy of the approved acquisition plan, demonstrating how the region will accomplish the

acquisition in a reasonable time, shall be forwarded to the SPE. Acquisition plans created and approved in the Acquisition Planning Wizard (APW) should be referenced in the approval memorandum submitted to the SPE. This does not apply to modifications for incremental funding or options.

9. Ninety (90)-Day Review Requirement:

a. Review. GSA has a reasonable time after a reimbursable agreement has been accepted to complete the procurement action. GSA has defined "reasonable time" to mean 90 days in most cases. All procurements that have not been executed within 90 days after acceptance of the reimbursable agreement by GSA are subject to a review by the HCA or designee. The purpose of the review is to determine whether to proceed with the procurement or close the reimbursable agreement and return funding to the customer agency.

If the determination is made to continue with the procurement, then additional reviews shall be accomplished each 90 days thereafter until the procurement is executed. Exceptions to the subsequent 90-day review requirement are the following:

- i. When, during the previous review, the acquisition plan identified specific and sufficient milestones to ensure the completion of the procurement action.
- ii. PBS work related to building construction, architect/engineering, above standard buildouts, and/or site preparation. In any case, reviews subsequent to the first 90-day review must be done at least annually.

b. Delegation of HCA Review Authority. The HCA may delegate the authority for the 90-day review and the determination whether to retain or return the reimbursable agreement consistent with dollar thresholds identified in paragraph 8.b. above.

c. Considerations for Review. The contracting officer's review package must include, and the HCA or designee must consider, the following factors:

- i. Projected contract award date
- ii. Approved acquisition plan
- iii. Any changes in scope, increases in price, and/or funds availability
- iv. Complexity of the project
- v. Unusual market conditions
- vi. Evidence that both GSA and the customer have been actively pursuing the acquisition since acceptance of the reimbursable agreement
- vii. Other factors that the contracting officer thinks relevant to the determination.

d. Documentation. A copy of the 90-day review package and written determination by the HCA or designee must be placed in the contract file and submitted to the SPE (GSA/OCAO/VA).

10. Reference Documents:

General Counsel and Chief Financial Office's Memorandum dated September 13, 2005
Subject: GSA Authority for Interagency Transactions.

GSA Acquisition Letter V-05-16 dated August 12, 2005, Subject: Fiscal Year 05 Cut-Off Dates for Assisted Acquisitions.

FSS Commissioner's Memorandum dated June 3, 2005 Subject: Special Order Program – Policy.

PBS' Reimbursable Work Authorization National Policy Document, dated May 4, 2005

GSA Acquisition Letter V-05-06, dated April 27, 2005 Subject: Purchases on Behalf of Other Agencies.

FTS Commissioner and Chief Financial Officer's Memorandum dated June 7, 2004
Subject: Guidance and Information Concerning Interagency Transactions and Proper Management of Reimbursable Agreements in Revolving Funds.

GSA Order OGP 2800.1 dated January 1, 2004 Subject: Acquisition Planning.